on the economy in the absence of a viable policy to channelise the rupees counterpart of the Foreign Exchange reserves into productive use; and

(d) details of the programme, if any, to maximise the utilisation of the fund to its optimum; and also regarding regular monitoring of the same?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) The foreign currency assets of the Reserve Bank of India rose from US$ 6434 million at the end of March 1993 to US$ 10468 million at the end of January 1994.

(b) India's foreign exchange reserves at the end of January 1994 comprising foreign currency assests of the RBI, gold and SDRs are given below:

(US$ million)

(i) RBI's foreign currency assests	10,468
(ii) Gold	4,001
(iii) SDRs	176
Total foreign exchange reserves:	14,645

(c) Increase in foreign exchange reserves contributes to the growth in reserve money which in turn has inflationary potential. The sources of growth in reserve money can be broadly classified into Net Domestic Assets (NDA) and Net Foreign Assets (NFA). During the current financial year upto February 4, 1994 the NFA increased by Rs. 15,452 crore as against a decline of Rs. 3917 crore during the same period last year. The increase in the NFA was, however, to some extent, offset by a significant deceleration in NDA. The NDA rose by only Rs. 4,554 crore during April-February 4, 1994 as against at increase of Rs. 14,612 crore in the corresponding period of 1992-93. This has considerably moderated the inflationary impact of the increase in net foreign assests during 1993-94 so far.

(d) The inflows of foreign exchange have not been dissipated in foreign exchange expenditures but have been conserved and held as the country's reserves. The Government is constantly monitoring the movements in foreign exchange reserves.

870. [Transferred to 9th March' 94.]

Allowing the private sector to open banks

871. SHRI VIRENDRA KATARIA: Will the Minister of FINANCE be pleased to state:

(a) whether Government propose to allow private sector to open banks in the country, as a fact of its liberalising policy, and

(b) if so, how many licences are likely to be given under this scheme?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) In terms of provisions of Banking Regulation Act, 1949, any person/ company intending to set up a bank has to apply in the prescribed form to Reserve Bank of India (RBI). Guidelines have been issued by RBI in January, 1993 regarding entry of new private sector banks.

(b) RBI have received 23 applications in the prescribed form for setting up new banks in the private sector. Out of these applications, RBI have so far granted 'in principle' approval to 9 applicants.

Nomination of non-officials to the Boards of Directors of Banks

872. SHRI VIRENDRA KATARIA: Will the Minister of FINANCE be pleased to state:

(a) whether Government have nominated some non-officials to the